

Membership Balance Plan
Defense Business Board

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, in accordance with the provisions of the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(d), established the Defense Business Board (“the Board”).
2. Mission/Function: The Board shall provide the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations on overall DoD management and governance from a private sector perspective.
3. Points of View: The Board shall be composed of no more than 35 members. The members must possess the following: (a) a proven track record of sound judgment in leading or governing large, complex private sector corporations or organizations and (b) a wealth of top-level, global business experience in the areas of executive management, corporate governance, audit and finance, human resources, economics, technology, or healthcare.

Each member, based upon his or her individual and professional experiences, provides his or her best judgment on the matters before him or her and does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members appointed by the Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Those individuals who are full-time or permanent part-time Federal officers or employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members.

The Secretary of Defense has invited four ex-officio individuals to serve on the Board. These individuals are the Comptroller General of the United States, the Director of the Office of Management and Budget, the Chair of the Defense Policy Board, and the Chair of the Defense Science Board. While these individuals may provide the Board members with insight about matters being considered by the Board, these ex-officio members are not participants in the Board’s deliberations nor can they vote on any matters before the Board.

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The Department has found that viewing the complex issues facing the DoD, through a multidisciplinary advisory committee, provides the DoD and, more importantly, the American public with a broader understanding of the issues on which to base subsequent policy decisions.

The Board’s membership balance is not static and the Secretary of Defense or the Deputy Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense or the Deputy Secretary of Defense. In addition, the DoD, unless otherwise provided for by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

4. Other Balance Factors: N/A

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5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals with extensive backgrounds in private sector management. Potential candidates are identified through nomination by current Board members, by the professional staff of the Office of the Secretary of Defense, and, in some instances, based upon discussions with other professionals within the DoD in consultation with Office of General Counsel of the Department of Defense (OGC DoD) and the Office of the Special Assistant to the Secretary of Defense for White House Liaison.

Once potential candidates are identified, the Deputy Chief Management Officer (DCMO), as the Board's sponsor and in consultation with the Deputy Secretary of Defense, reviews the credentials of each individual and narrows the list of candidates. During his or her review, the DCMO strives to achieve a balance between the professional credentials of the individuals and the near-term subject matters that the Deputy Secretary of Defense has indicated will be reviewed by the Board.

Once the DCMO narrows the list of candidates and before formal nomination to the Secretary of Defense, the list of potential candidates undergoes a review by the OGC DoD and the Office of the Advisory Committee Management Officer to ensure compliance with federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the DCMO formally nominates the potential candidates to the Secretary of Defense or the Deputy Secretary of Defense for approval; pursuant to DoD policy, only the Secretary of Defense and the Deputy Secretary of Defense can invite or approve the appointment of individuals to advisory committees established or supported by the DoD. The DCMO, as the Board's Sponsor, is authorized to administratively certify the appointment of Board members that were previously approved by the Secretary or Deputy Secretary of Defense.

Following approval by the Secretary of Defense or the Deputy Secretary of Defense, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

The Secretary of Defense or the Deputy Secretary of Defense may approve the appointment of members to the Board, to include its subcommittees, for one-to-four year terms of service, with annual renewals. However, no member, unless authorized by the Secretary of Defense or the Deputy Secretary of Defense, may serve more than two consecutive terms of service on the Board, to include its subcommittees. Such appointments will normally be staggered among the Board membership to ensure an orderly turnover in the Board's overall composition on a periodic basis. Membership vacancies for the Board and its subcommittees will be filled in the same manner as described in the previous four paragraphs above.

6. Subcommittee Balance: DoD, as necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Board.

The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of subcommittee members in the same manner as members to the Board. Individuals considered for appointment to any subcommittee of the Board may come from the Board itself or from new nominees, as recommended by the DCMO and based upon the subject matters under consideration,

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but they must be approved by the Secretary of Defense or the Deputy Secretary of Defense before participating in any subcommittee work.

7. Other: As nominees are considered for appointment to the Board, the DoD adheres the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Committees, Boards, and Commissions (79 F.R. 27482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: August 4, 2015